

**REMARKS**

This Amendment and Request for Reconsideration is submitted in response to an outstanding Office Action dated August 29, 2007, the shortened statutory period for response having expired on November 29, 2007. Accordingly, a Petition and Fee for Extension of time are included herewith.

I. Status of the Claims

Please cancel claim 21 without prejudice, and amend claims 1-3, 5-20, and 22-24 as indicated above. Claims 1-20 and 22-24 are now pending in the application. Claims 1, 20, 22, 23 and 24 are independent claims.

Applicants acknowledge the Examiner's citation of statutory authority as a basis for claim rejections.

II. Objections

The Examiner has objected to the specification as failing to provide proper antecedent basis for the subject matter of claims 6 and 7. Applicants respectfully traverse the objection. Original claim 6 recites: A method according to claim 1, wherein the first and second deals are formed at distinct and different times. Original claim 7 recites: A method according to claim 1, further comprising: after identifying the plurality of debt obligations, waiting a predetermined time following any change of the at least one debt obligation in the index.

Referring to page 3, lines 10-14 of the specification as originally filed, there is a specific disclosure to the subject matter recited in claims 6 and 7. "In an additional aspect, the invention provides forming the first and second deals at distinct and different times. In an additional aspect, the invention provides waiting a predetermined time after identifying the

plurality of debt obligations before allowing any change of the debt obligations in the index.”

Applicants respectfully submit that the quoted disclosure in the original specification provides any required antecedent basis for claims 6 and 7 and asks that the Examiner withdraw the objection on that basis alone.

Nevertheless, in the interest of advancing the case to issue, Applicants have also provided an amendment to the specification as requested by the Examiner, and ask that the Examiner withdraw the objection. No new matter is added by the amendment to the specification.

III. Rejections under 35 U.S.C. § 101

The Examiner has rejected claims 1 and 20-24 under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Applicant respectfully traverses the rejection.

The claimed inventions produce useful, tangible and concrete results and fall within the useful arts. As a threshold matter, independent claims 1, 20 and 24 are directed to: A method for managing collateralized obligations, the method performed at least partially on a computer and comprising a series of listed steps. Independent claim 22 is directed to: A computer-readable medium having computer executable software code stored thereon, the code for managing collateralized obligations. Independent claim 23 is directed to: A programmed computer for managing collateralized obligations. All of the other pending claims depend directly or indirectly from those independent claims. By their plain language each of independent claims 1, 20, 23 and 24 falls within the useful arts, as a machine, a manufacture, a process or a composition of matter. In addition, each of claims 1, 20, 23 and 24 produces a useful tangible and concrete result. For example, all of the claims deal in one manner or another with financial investments. There can be no question that financial investments are one of the

foundations of the U.S. capital markets. Investments provide financial fuel from the U.S. capital markets that is used by industry to provide goods and services. Without investments, the United States economy would quickly falter and die. At least for this reason, the claims at issue are useful and tangible. The claims at issue also deal in one way or another with changes in investments, such as through a change in an obligation of a linked investment deal. Such a change is a concrete result of the claimed method. Accordingly, the claims are not simply a mathematical construct, but instead embody statutory subject matter. Withdrawal of the rejection under 35 U.S.C. § 101 is respectfully requested.

IV. Rejections under 35 U.S.C. § 102

The Examiner has rejected claims 1, 2, 11 and 21-23 under 35 U.S.C. § 102 as being anticipated by U.S. Patent No. 7,231,364 to Cobrinik et al. ("*Cobrinik*"). Applicants respectfully traverse the rejection.

Claim 1 recites: A method for managing collateralized obligations, the method performed at least partially on a computer and comprising: identifying a plurality of debt obligations, which together constitute a single debt index; linking a first investment deal to the single debt index according to terms of an asset management agreement; linking a second investment deal to the single debt index according to terms of the asset management agreement; changing at least one debt obligation from the plurality of debt obligations in the single debt index according to terms of the asset management agreement; and responsive to the change of the debt obligation in the single debt index, changing an obligation of the linked first investment deal according to terms of the asset management agreement.

In non-limiting examples, Figs. 2, 4 and 5 illustrate some of the elements recited in claim 1. A plurality of debt obligations, which together constitute a single debt index is

represented by a basket of names (108). A first investment deal linked to the single debt index (108) is illustrated by the managed schuldschein (204). A second investment deal linked to the single debt index is illustrated by the managed note (210). At least one debt obligation (502) from the plurality of debt obligations is changed.

The Examiner relies on *Cobrinik* at col. 4, lines 44-60 for disclosure of a plurality of debt obligations that together constitute an index, and col. 4, lines 15-17 for changing at least one debt obligation in the index. However, applicants respectfully submit that *Cobrinik* at col. 4, lines 44-60 does not disclose a plurality of debt obligations that constitute an index, much less a single debt index as recited in the amended claims. At best, *Cobrinik* discloses portfolio management with techniques for determining and manipulating risk of a portfolio, by actions such as buying/selling/holding investments in the portfolio.

Claim 1 recites a single debt index, a first investment deal and a second investment deal. The first investment deal and the second investment deal are linked to the single debt index. Although the first investment deal and the second investment deal are linked to the single debt index, each is a separate and independent element. The Examiner's rejection over *Cobrinik* muddles any such distinction, by referring generally to investment portfolios. There is no effort in the rejection to equate some disclosure of *Cobrinik* with the claimed single debt index. To the extent that the Examiner might be equating the "metric" of *Cobrinik* with the claimed index, such a correlation is simply wrong. The metric of *Cobrinik* sets forth "the amount of an investor's money working in a complex investment vehicle at any given time." Such a metric is not a single debt index, nor does it suggest a single debt index. Withdrawal of the rejections of claims 1, 20, 22 and 23 over *Cobrinik* is respectfully requested.

V. Rejections under 35 U.S.C. § 103

The Examiner has rejected claims 3-10, 12-20 and 24 under 35 U.S.C. § 103 as being unpatentable over *Cobrinik* in various combinations with U.S. Patent No. 7,181,422 to *Philip et al*; Official Notice; U.S. Patent No. 6,687,691 to *Schultz et al*; U.S. Patent Publication No. 2005/0144108 to *Loeper*; U.S. Patent No. 5,946,666 to *Nevo et al.*; U.S. Patent Publication No. 2005/0069161 to *Eckert et al.*; U.S. Patent Publication No. 2002/0156708 to *Andrus et al.*; U.S. Patent Publication No. 2002/0032586 to *Joao*; and Circular R of the Federal Financial Supervisory Authority 1/2002. Applicants respectfully traverse the rejection.

As the Examiner acknowledges *Cobrinik* does not disclose all of the elements of claims 3-10, 12-20 and 24. However, as with claims 1 and 21-23, the Examiner relies on *Cobrinik* for a disclosure of an index and first and second deals linked to the index. As explained above with respect to the rejections of claims 1 and 20-23 under § 102, Applicants respectfully submit that *Cobrinik* does not disclose a single debt index and first and second deals linked to the index. Therefore *Cobrinik* in combination with the other cited references can not disclose all of the elements of claims 3-10, 12-20 and 24. Accordingly, withdrawal of the rejections under § 103 is respectfully requested.

VI. Request for Reconsideration

Applicants respectfully submit that the claims of this application are in condition for allowance. Accordingly, reconsideration of the rejection and allowance is requested. If a conference would assist in placing this application in better condition for allowance, the undersigned would appreciate a telephone call at the number indicated.

Respectfully submitted,  
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